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June 16, 2004

Dear Pharmacy Provider:

This letter provides important information regarding the temporary shortage of Prilosec over-the-counter (OTC). Proctor & Gamble, the manufacturer of Prilosec OTC, has informed Wisconsin Medicaid this shortage will be short term with spot shortages affecting some providers for several months.

For the past several weeks, Wisconsin Medicaid has been working directly with Proctor & Gamble to:

- Increase the overall allocation of Prilosec OTC to major wholesalers supplying Wisconsin pharmacies.
- Identify and increase the availability of Prilosec OTC to pharmacies that serve Medicaid patients that do not have the flexibility to obtain the product at another location.
- Maintain substantial cost savings through use of Prilosec OTC when a Proton Pump Inhibitor (PPI) is necessary therapy.

Despite these efforts, it appears Prilosec OTC will continue to have periodic spot shortages. To address immediate customer needs, Wisconsin Medicaid has developed a process by which generic omeprazole may be obtained through the paper prior authorization (PA) process.

To minimize your pharmacy's workload, Wisconsin Medicaid first recommends that pharmacies attempt to purchase Prilosec OTC from secondary wholesalers or other retail outlets.

In addition, PA need only be obtained for a limited number of recipients to cover the anticipated shortage. For example, if your weekly allocation of Prilosec OTC meets 80 percent of your needs, you need only request PA for the 20 percent of the Medicaid recipients not served by the allocation. Some providers may also be able to reduce the number of PA requests needed by dispensing less than a 30-day supply each time a prescription is dispensed.

To obtain PA for generic omeprazole during this shortage, you must submit a PA request containing the following information:

1) PA/RF

- This form may be obtained by contacting Provider Services at (800) 947-9627.
- In Element 1 indicate Process Type 137 for 24-Hour Drugs.
- In Element 10 indicate the appropriate diagnosis code as you would in the STAT-PA system. Refer to the STAT-PA worksheet for PPI drugs for a listing of approved diagnosis codes: <http://dhfs.wisconsin.gov/medicaid3/updates/2003/2003pdfs/2003-101att6.pdf>

2) PA/DGA

- This form may be found in Attachment 11 of the Wisconsin Medicaid and BadgerCare Update published in August 2003 titled, "Changes to claims and prior authorization for retail pharmacies dispensing drugs and biologics as a result of HIPAA" (2003-84) with the following link: <http://dhfs.wisconsin.gov/medicaid3/updates/2003/2003pdfs/2003-84.pdf>
- In Section 4, Clinical Information, document your attempts to obtain Prilosec OTC from sources other than your primary wholesaler.
- Also in Section 4, indicate that it is inappropriate to refer this patient to another pharmacy.
- Complete the prescription section of this form or submit a photocopy of the original prescription order.
- Indicate the appropriate means of pharmacy notification once the PA has been adjudicated.

Pharmacies should fax the PA/RF, the PA/DGA and other supporting documentation to (608) 221-8616 by 1 p.m. each business day. Pharmacies can expect to receive an adjudication response after 3 business days. If the PA request is submitted after 1 p.m., please allow an extra day for the adjudication process to be completed. Pharmacies may also contact Provider Services at (800) 947-9627 to check on the status of any PA request that has been submitted.

To avoid returned PA forms, be sure all information is entered legibly and accurately, especially identifying information on the PA/RF.

Note: Pharmaceutical Care may not be billed when switching recipients from Prilosec OTC to generic omeprazole.

During the temporary Prilosec OTC shortage, some of your Medicaid recipients may have questions as to why the state is requiring another change in their medication regimen. Here are some examples of responses you may wish to use.

- Proctor & Gamble, the manufacturer of Prilosec OTC, has informed Wisconsin Medicaid that there is a temporary shortage of this product due to high demand.
- Wisconsin Medicaid has chosen a product that is most comparable to Prilosec OTC in an effort to facilitate on-going, quality patient care.

Pharmacy Provider

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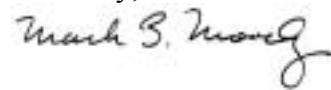
- The copay for generic omeprazole will be \$1.00 as compared to the Prilosec OTC copay of \$0.50.
- Recipients may notice that the generic omeprazole looks different from the Prilosec OTC. Generic omeprazole is only available in a capsule, while Prilosec OTC is only available in a tablet.

We are also exploring modifications to the STAT-PA system to allow electronic PA requests to be processed through that system. However, any modifications to the STAT-PA system will require time to implement.

Wisconsin Medicaid will continue to work with Proctor & Gamble, distributors and the Pharmacy Society of Wisconsin to minimize the continuing impact on recipients and providers. In addition, Proctor & Gamble has committed to hold the Prilosec OTC pricing for Medicaid until December 30, 2005.

Thank you for your continued patience and recognition that Prilosec OTC continues to be up to 80 percent less costly than other PPIs on the market. We appreciate your assistance in maintaining this important pharmacy cost containment initiative.

Sincerely,

A handwritten signature in cursive script, appearing to read "Mark B. Moody".

Mark B Moody
Administrator

MBM:my
HP06026